



Voucher Processing and Special Claims

Owner Agent Update

April 18-19, 2011

Session Topics

- Industry Update
- TRACS 202D
- TRACS Discrepancy Codes
- Head of Household Changes & Corrections
- Repayment Agreements - Voucher Billing
- Special Claims



News from Washington, D.C.

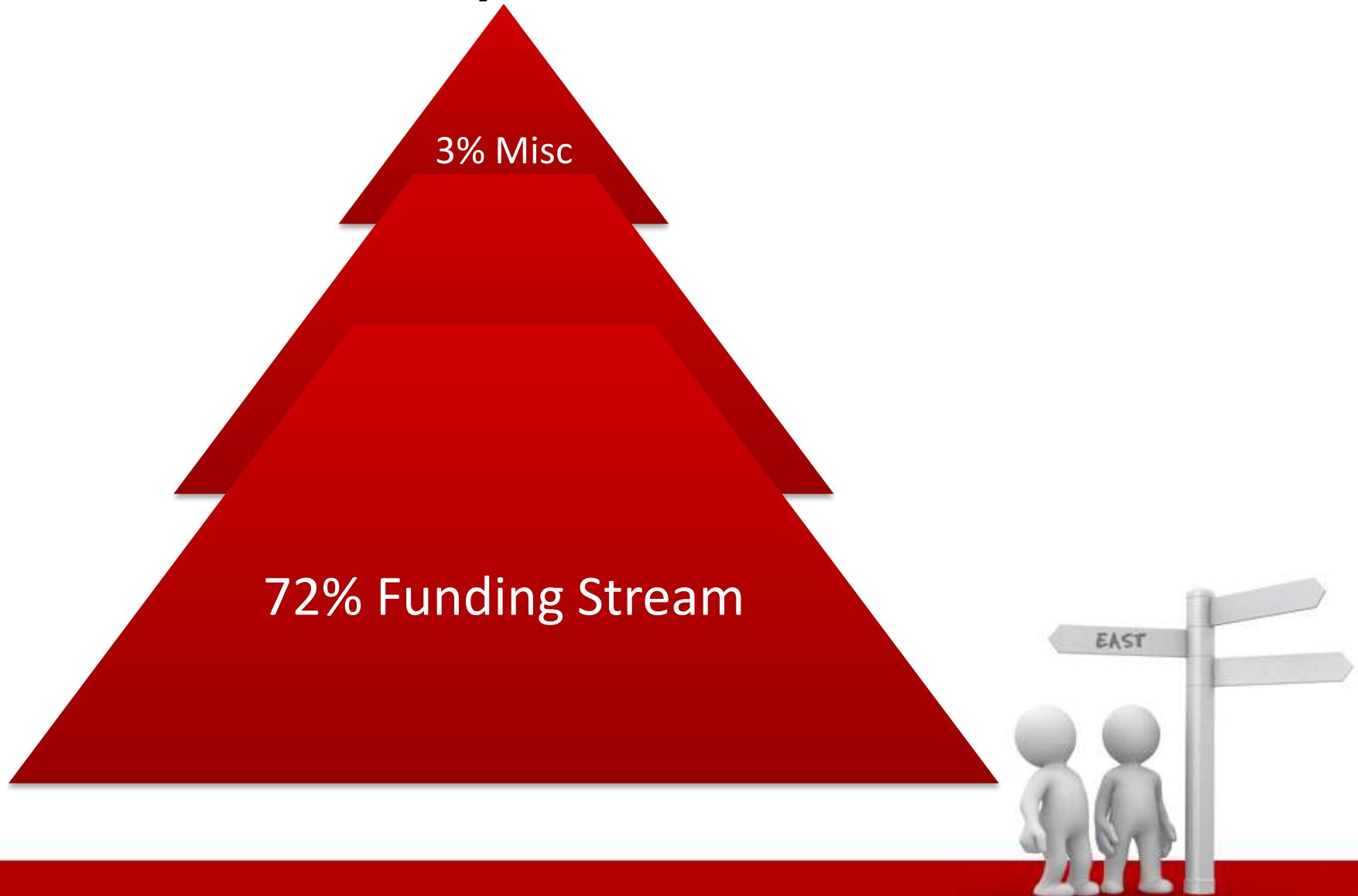
Carol Galante

Deputy Assistant Secretary, Multifamily Housing Programs

- Core to Secretary Donovan's objectives – PBCA
- Progress made in 2010 but more needed
- \$200 million for Transforming Rental Assistance Program (preserve Housing Programs)
- Tough budget choices
- Another Continuing Resolution



HUD Department Allocations



Industry Update: Multi-Family/IT Help Desk

New Contractor

Net.America effective 6/22/2010

First time using non-government site

12 staff as of March 2011

Improved Hours

7 AM to 8 PM EST (800) 767-7588



Industry Update: Multi-Family/IT Help Desk

Now supports six HUD programs:

- 1) iREMS
- 2) TRACS
- 3) EIV
- 4) APPS
- 5) DAPP
- 6) MDDR



TRACS 202D



“Tweaking the gears”

Big changes bring big rewards



TRACS 202D - Why and When?

- Primary goals:
 - Catch up with EIV, Final Rule, other regulatory changes
 - Benefit industry partners
- Specifications being finalized
- Tentative release – October 2011



TRACS – What to Expect?

- New forms
- MAT Guide revisions
- DUNS number in header records
- GRs – implementation changes
- New certification codes
- 50059 line items renamed for clarity
- Total sum for voucher adjustments per household



TRACS Discrepancy Codes



Hit the Target...

Resolution Requirements



Discrepancy Code Basics

- Included in message returned via iMAX
- Discrepancy code determines action required
- All codes + description in MAT User Guide, App D
- MAT User Guide available at site below
<http://www.hud.gov/offices/hsg/mfh/trx//trxdocs.cfm>
- MAT field size restrictions = abbreviated messages

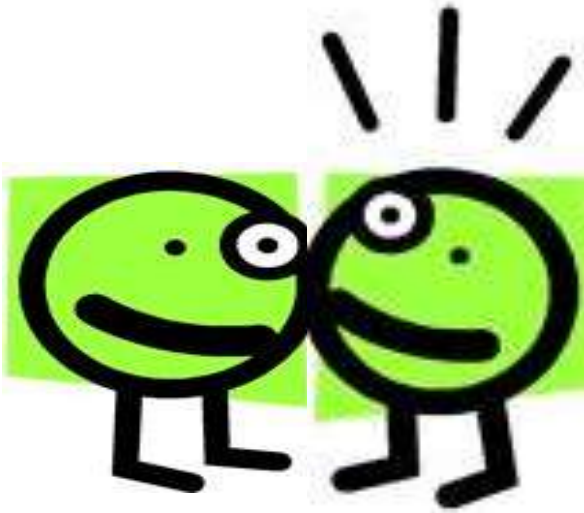


Valid Discrepancy Codes

- 01 – Submit correction within 45 days
- 02 – Submit correction on next submission and/or certification
- 03 – Informational, may or may not require correction
- 04 – *Follow up required*
(Field Office Use only)



Head of Household Changes & Corrections



Why is this so challenging?



HOH

Previous Data Fields: Yes or No?

Two uses for *Previous Head* data fields from TRACS perspective

- 1) Correct previously recorded HOH information
- 2) Changing HOH relative to previous full certification (MAT10)



Previous HOH Fields

1. Previous Head ID*
2. Previous MAT Effective Date*
3. Previous Head Last Name*
4. Previous Head First Name*
5. Previous Middle Initial (Must match previously submitted value on MAT10)
6. Previous Head Birth Date*

***Mandatory fields**



Key Points – Previous HOH

- Six (6) field identifiers; five (5) fields are always mandatory
- Must match data from most recent/prior **(active) MAT10** in TRACS
- Any variance results in rejection & fatal error F0130



Case #1: T-ID, now SSN

Original cert submitted with 9s in identification code; temporary ID generated

- ☑ Submit MAT10 correction
- ☑ Populate “previous” head fields with originally reported data (eff date, name, dob)
- ☑ Exception: populate “previous” head ID with TRACS generated T-ID



Case #2: SSN, 1 or more changes

Sally A. Smith gets married; now Sally A. Smith Jones

Last active MAT10 in TRACS: AR eff Jan. 1, 2011

- ☑ Submit MAT10 (*may or may not be correction*)
- ☑ Populate all HOH identifiers with new last name, Smith Jones (including middle initial)
- ☑ Populate all previous HOH identifiers with old last name, Smith (including middle initial)
- ☑ Previous effective date = 01/01/2011



Case #3: New HOH

Amy Yang & co-head, Jill M. Shaw

Amy moved out Feb. 28, 2011

Last active cert in TRACS: GR eff Feb. 1, 2011

Last full cert in TRACS: AR eff Jan. 1, 2011

- ☑ Submit IR eff 03/01/2011
- ☑ Populate all HOH identifiers with data for Jill
- ☑ Populate all previous HOH identifiers for Amy
- ☑ Previous effective date = 01/01/2011



Head of Household Corrections

Current? Yes Retro? No

- Do NOT process retro-active HOH changes
- TRACS needs originally reported “block” of household data fields for acceptance
- SSN, in particular, key to acceptance



Repayment Agreements and Voucher Billing

What's required and simplifying the process



Repayment Agreements and Voucher Billing

First Steps...

- Executed repayment agreement sent to INQ Voucher Specialist
- Certification(s) processed, reflecting income change
- Affected cert(s) transmitted via iMAX & recorded in TRACS



Voucher Billing (repay)

Initial Action:

- Full adjustment amount related to retro cert(s) appears on voucher
- Reverse adjustment amount subject to repayment agreement by adding OARQ, Misc Acct Request (a positive number)
- Review voucher – regular adjustments should match offset



Voucher Billing (repay)

As Resident Makes Payment(s):

- Add OARQ, Misc. Acct Request - amount of payment (reducing voucher with negative number)
- Comment field musts - resident name, unit #, & that the amount is from repayment
- If supported & documented, withhold allowable collection expense (comment field must identify full resident payment from amount kept)



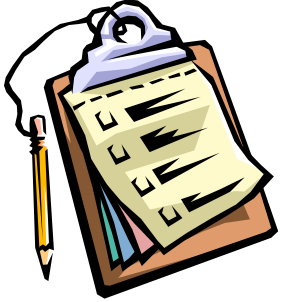
Repayment Agreements & Billing

Reference Sources

- Housing Notice 09-20, Section VII, C(4.)
- HUD Handbook 4350.3 REV-1
Chapter 8, Paragraph 20
- MAT User Guide, Section 4.9
- Owner/Agent Software Support



Special Claims



Recommendations and Resources



Initial Eligibility Tests

Submit only those claims that pass

- Household's move-out data was transmitted to TRACS
- Household was Section 8 recipient through vacancy*
- Date of INQ's receipt will not exceed 180-day submission deadline
- Unit is in decent, safe and sanitary condition and is ready for occupancy (records to support)



Additional Eligibility Tests: Vacancy Claims

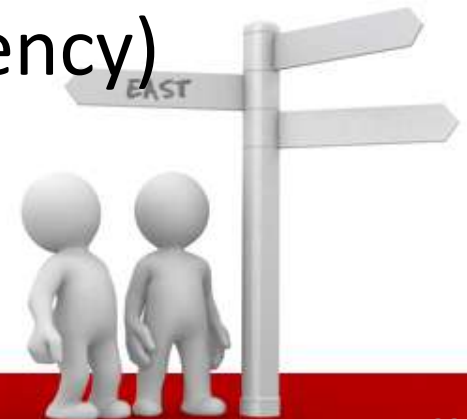
- All feasible actions taken to fill vacancy (documented)
**per FHEO requirements & HH 4350.3 REV 1, chapters 2 & 4*
- Applicants have only been rejected for good cause, consistent with TSP

*Reference: Special Claims Processing Guide
Section 3-2*



Additional Eligibility Tests: Unpaid Rent/Damages

- Appropriate SD collected, if not claim reduced
- Billed tenant via certified letter
- Tenant provided with itemized listing of charges
- All reasonable steps taken to collect debt (including engaging collection agency)
Efforts documented



More Eligibility Tests: Unpaid Rent/Damages

- Unpaid rent claim includes allowable “other charges” *
- Damages – charges due to resident’s neglect or abuse
- Extraordinary damage, not normal wear & tear or routine cost of turning unit

*Reference: Special Claims Processing Guide
Section 5-2*



Calculating the Claim Period

- Starts the day after documented ready for occupancy (RFO) date

Example:

Unit vacated 2/7/11, maintenance 2/8/11, painted 2/9/11, carpet & unit cleaned 2/10/11

RFO Date = 2/11/11

- Ends day preceding the day unit is re-rented, or 60 days from documented RFO date



Special Claim Submissions

- **New** INQ Checklist for each claim request
Include contact name, phone & fax number, email
- **Sign and date all HUD required forms**
- Only reference & include units eligible for submission
- Submit all claims for resident/unit at once
- Send **one (1) copy** of forms and documentation
- Please no highlighters, staples, post it notes, original brochures or newspaper ads



Special Claim Submissions

- Include Notice to Vacate or if none, how & when property learned of vacancy
- Include final statement of account sent to resident
- Compliant & fully documented waiting list (full copy)

All contacts/responses, date & time of every name removal

- Closing/reopening waiting list?

Guidelines HH 4350.3, 4-16(B) & TSP



Special Claims

Marketing Needed?

Yes, if unit not filled from waiting list

- ✓ Marketing efforts consistent with AFHMP
- ✓ Copies of advertisements, invoice copies (dates confirmed)
- ✓ From date learned of vacancy to end of claim period
- ✓ One (1) copy per submission, HUD 52670-A part 2



Additional Damage Guidelines

- Maintenance records show **start & finish dates for each step** of unit prep
 - Repair costs are itemized and fully supported*
- *May include invoices, receipts, etc.



Damage Claims

The “tricky” ones

- Charges for “routine prep” items:
Amounts exceeding customary expense only
(painting, cleaning)
Fully documented & supported
- Life expectancy pro-rations completed for replaceable items (refer to Special Claims Guide Appendix 5D)



Special Claim Resubmissions

- Use **new** INQ Additional Info Checklist
Include contact name, numbers & email
- Include **all** information at once & within 30 days of request
- Send to Nicole Walls (nwalls@inquadel.com)



Billing for Approved Claims

- ☑ Follow software requirements to add approved claims to voucher
- ☑ Special claim ID matches INQ approval forms
- ☑ Claim type(s) and amount(s) match INQ approval forms
- ☑ Provide copies of all signed approval forms (returned by INQ) with voucher copy
- ☑ Request within 90 days of approval



Special Claims Resources and Tools

- HUD's Special Claims Processing Guide
- HUD Handbook 4350.3 REV 1 (in particular chapters 2, 4, 5, 6, 8)
- Affirmative Fair Housing Marketing Plan (HUD approved)
- Tenant Selection Plan



More Claims Resources & Tools

- HUD forms 52670-A Part 2, 52671-C, 52671-A
- RHIIP Website - SC Processing Guide FAQ

<http://www.hud.gov/offices/hsg/mfh/rhiip/mfhrhiip.cfm>



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